

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8012

BILL NUMBER: HB 1611

DATE PREPARED: Feb 15, 2001

BILL AMENDED: Feb 14, 2001

SUBJECT: Town Boards of Police Commissioners.

FISCAL ANALYST: Chris Baker

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FUNDS AFFECTED: X **GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that members of a town legislative body may serve as ex officio members of the town board of metropolitan police commissioners. The bill prohibits the town legislative body from appointing a police officer employed by the town to the town board of metropolitan police commissioners. It revises the law providing for the establishment and appointment of a town board of metropolitan police commissioners. The bill also repeals a statute with conflicting versions.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) Under current law, a bond of a penal sum of \$5,000, payable to the state, is required to be approved by the town legislative body for those serving on the town board of metropolitan police commissioners (TBMPC). Generally, an individual pays a premium amount equal to a percentage of the penal sum of the bond to an insurance company, which provides coverage for the penal sum of the bond.

Under the bill, if a member of the TBMPC is also a member of the town legislative body then the bond is not required for membership on the TBMPC.

In the event that the individual commits a violation of duties as a police commissioner, the insurance company would pay the penal sum to the State. In instances where a dual member of the TBMPC commits a violation of his/her duties as a police commissioner, State revenue could be reduced by the forgone bond revenue.

Explanation of Local Expenditures: The bill does not allow a member of the town legislative body to receive compensation for services as a member of the board. There would be no impact with respect to

localities as a result of dual legislative body/board membership.

Explanation of Local Revenues:

State Agencies Affected: Office of the State Auditor

Local Agencies Affected: Town Legislative Body, Town Board of Metropolitan Police Commissioners

Information Sources: State Board of Accounts.